

Automotive News

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Satellite system to link GM, dealers

Pulsat will include video, print data

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors plans to hook up its 9,700 dealers to a new satellite communications system by the end of 1992. GM claims the system will be the world's largest private satellite network.

GM will pay for the installation of a satellite dish at each dealership to send and receive information. GM said the rates will be the same as dealers now pay for the land-based dealer communications system.

The new system, called GM Pulsat Network, will provide faster transmission of information between the automaker and its dealers.

In addition to the two-way data transmission that GM now has with its land-based system, the new satellite network will add video transmission.

Video now is available only to the 2,100 GM dealers who subscribe to the Automotive Satellite Television Network, an independent television programming network for the car dealers. GM now airs programs on ASTN three times a week.

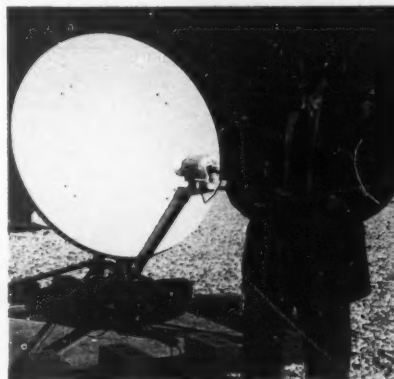
Duncan Brodie, general director of dealer systems and communications for the GM customer sales and service staff, said the

land-based system GM now uses to communicate with its dealers is reaching the limit of its capacity. The efficiency of the system has decreased while the cost has increased, he said.

The land-based system, which uses telephone lines, started in 1976 with 13 applications. Today's system has 200 applications including information on products, parts, service, dealer orders and warranties.

Brodie said another 63 applications have been proposed for the new system. Future applications could include electronic shop manuals, electronic vehicle invoicing and next-generation vehicle diagnostics.

Dealers say GM needs a new communication system. **see SATELLITE, page 55**



Hughes Network Systems' Ladd Bower inspects one of the satellite dishes that will be placed on 9,700 dealerships selling GM vehicles.

THE PATH TO PANDA



Correspondent Stephen Vines took exclusive photographs of the Panda plant site after a journey to Dan Shui, northeast of Hong Kong.

Writer's triumph: A brief glimpse of shy car firm

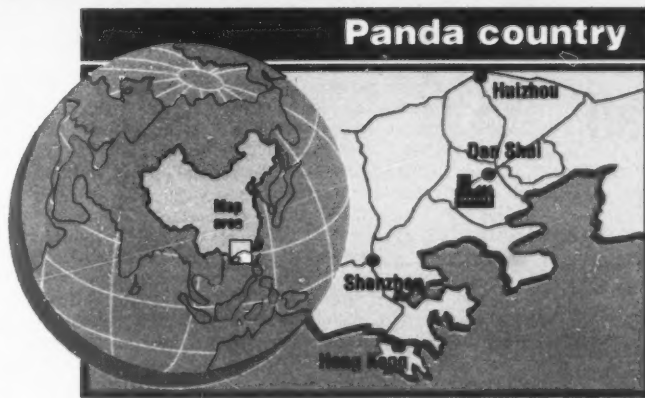
By Stephen Vines
STAFF CORRESPONDENT

DAN SHUI, China — The Chinese Panda is an elusive creature that goes out of its way to avoid humans. That may help explain why Panda Motors Corp. was so named.

Like the pandas that stalk Szechuan province, Panda Motors Corp., with its strong ties to the Unification Church, is very hard to find. It, too, is based in an obscure part of China and seems to have its own ways of avoiding humans of the reporter species.

News of the company's establishment came shortly after last June's massacre of pro-democracy demonstrators in Beijing's Tiananmen Square. Foreign investors were leaving the country, and China's government appeared friendless in the Western world.

Little wonder, therefore, that the authori-



ties bent over backward to endorse a plan for a foreign company to build the nation's largest car factory.

China indicated that the investment was being made by an American company but, as inquiries by *Automotive News* revealed, the project is backed by the Rev. Sun Myung Moon's Unification Church of South Korea. Nevertheless, Panda is based in the United States and has a mixture of Koreans and

Americans on its board of directors.

Getting information was difficult from the start. When *Automotive News* showed an interest in visiting the site, communications became even more strained.

The first approach was made in February to the company's Hong Kong office run by a Mr. Okamoto. He appears to be a busy man and was unable to discuss matters over the **see PANDA, page 53**

PANDA FACTS

Location: Dan Shui, China
Timetable: Production to begin in 1991 with complete knockdown kits
Products: Most likely small sedans, pickups
Production goal: 300,000 vehicles a year

Chrysler puts dealer spiff on minivans

By Arlene Sawyers and Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTERS

Caving in to dealer pressure, Chrysler Corp. last week placed a \$500 factory-to-dealer incentive on its 1990 Plymouth Grand Voyager, Dodge Grand Caravan and Chrysler Town & Country long-wheelbase minivans.

The issue came to a head during meetings of the national dealer councils and Chrysler executives earlier this month. Verbal requests were followed by written requests last week, and on Thursday dealers were notified of the rebate program in a satellite telecast.

The dealer incentive expires July 17.

While some dealers applauded the move, one Chrysler-Plymouth dealer complained that the com- **see INCENTIVES, page 56**

Palladium use in catalysts linked to cost

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Platinum-free catalytic converters based on palladium are here, and they could save the Big 3 automakers \$300 million a year if world political and economic factors do not inflate prices or limit the availability of palladium.

Currently, only a small percentage of worldwide palladium output is mined in the United States. Eighty percent of the world's supply of platinum-group metals comes from politically sensitive sources: South Africa and the Soviet Union.

Researchers also are concerned that any price advantage of palladium **see PALLADIUM, page 55**

/room, vroom Viper!

Chrysler Corp. plans to produce up to 500, V-10 powered Dodge Viper sports cars by January 1992, similar to the concept car pictured here. Story on Page 2.



Dealers rally to help locate missing son of Ford salesman

Greg Bowens
SPECIAL CORRESPONDENT

At 3 p.m. on Tuesday, May 8, new-car salesman Geoffrey Roberts was on the showroom floor at Big Country Ford in Clovis, N.M.

He was unaware that his 6-year-old son, Matthew, weakened by chicken pox, had just wandered away from home and disappeared, clad only in a blue soccer shirt, shorts and tennis shoes. Matthew was still missing 10 days later.

Immediately after they discovered that he was gone, Roberts and his wife Debbie began a frantic search of the neighborhood.

The news spread quickly and by 8 p.m. Big Country Ford, town police, and local news media had mustered about a third of the town's 35,000 citizens to canvass the city. They searched in vain that night and the following day.

Local dealers started a reward fund and solicited help from Ford Motor Co., the National Automobile Dealers Association and the New Mexico Dealers Association.

The case has also been featured on Fox television's "America's Most Wanted."

Everett Hagelgantz, owner of Big Country Ford, said he contacted representatives of Ford Motor Co. Credit to see what assistance the automaker could offer.

Ford Division spokeswoman Della Dipietro said last week the company will make a donation of

an undetermined amount to the reward fund.

"In terrible situations like this you have to move fast. Ford is going to help," she said.

The reward fund, initiated by the Clovis New Car Dealer Association, had grown to \$14,800 last week.

Clovis dealers purchased local radio spots, and the New Mexico State Dealers Association plans to distribute flyers with Matthew's photo and description to its members.

"When you work with someone you form a bond with them," said Gary Westfall, the dealership's general manager.

According to Westfall, that bond has spurred executives of the Ford dealership to establish funds separate from the "Matthew Roberts Reward Fund" to help the Robertses cope financially — they have not worked since their son's disappearance — and to link with a national network used to help find missing children.

NADA director for New Mexico, Jack Price of University Volkswagen in Albuquerque, said he had not heard the about dealers' efforts, and did not know what the association would do to help Roberts.

The New Mexico dealers encourage anyone with information about Matthew Roberts to call the Clovis Police Department at (505) 769-1921, or the National Center for Missing and Exploited Children at (800) 843-5678.



Matthew Roberts, 6, vanished earlier this month in New Mexico.



Dodge Viper, a "back-to-basics" sports car to be powered by a V-10 engine, was first seen at auto shows in 1989. Recent artist's rendering shows side exhaust pipes, roll bar and twin fuel fillers on rear deck.

Dodge Viper gets green light

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. said last week it will produce 200 to 500 Dodge Viper sports cars by January 1992.

The Viper is planned as a Dodge image model just as the Corvette ZR-1 leads the Chevrolet marque. Chrysler said volume of the two-passenger Viper will increase, but not beyond 5,000 units annually.

Chrysler Corp. Chairman Lee Iacocca made the announcement Friday in Los Angeles.

The company said the limited-edition Viper will be powered by Chrysler's V-10 engine being developed for full-sized Dodge pickup trucks.

Chrysler said its Lamborghini engineering subsidiary will assist

in casting the Viper V-10 from aluminum. The engine reportedly has a displacement of 7.0 liters.

Performance targets include more than 400 horsepower and 450 pounds-feet of torque.

The company continues to test a high-performance V-8 engine that may be available in future Viper models as a lower-cost option.

The company has not said how the initial 200 to 500 Vipers will be distributed among its 3,000 Dodge dealers. An allocation system is said to be under development. Price has not been disclosed. Export plans are being considered.

Viper has been a high-profile model for Chrysler since the rear-wheel-drive convertible was first shown to the press and to audi-

ences on the auto show circuit in January 1989.

Chrysler officials have described the response to the ragtop as overwhelming, and the company created a special team in February 1989 to explore production.

Even though Chrysler had not given the official go-ahead on the project, potential buyers have sent cash deposits for the car, said company officials.

Chrysler designers describe the Viper as a back-to-basics high-performance sports car. Styling cues are borrowed from the golden age of roadsters of the mid-1960s.

According to Chrysler, the Viper resulted from a discussion among Robert Lutz, Chrysler Motors president, and

see VIPER, page 56

Chrysler spends \$2 billion on incentives; sales still fall

By Kristine Steven Brees
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Chrysler Corp. poured \$2.1 billion into sales incentive programs last year and spent another \$680 million on national and dealer advertising to move Chrysler products.

In spite of that, Chrysler's U.S. car sales fell 14.4 percent and earnings dropped 65.8 percent, from \$1.05 billion to \$359 million.

Speaking last week at the 65th annual stockholders' meeting here, Chrysler Chairman Lee Iacocca made no excuses for what he called a "tough year."

Instead, and in keeping with his current media message, Iacocca discussed competitiveness, the unfair advantage he believes the Japanese automakers have in the United States and the inability of Chrysler and other domestic automakers to crack Japan's market.

Iacocca criticized the lack of government action on issues affecting the trade imbalance and the decision to place India, and not Japan, on the list of unfair trading partners.

"A few weeks ago, the administration decided not to put Japan on the list of unfair trading nations," he said. "Instead, believe it or not, they condemned India."

"That's easy to understand," he said jokingly. "Just look around and see all the Indian cars on the freeways and all the Indian VCRs in the stores. Count up all the Indian buildings and the businesses that have been bought up by Indians lately. Look at all those Indian banks out there. No question, those Indians are becoming a real economic menace to us."

Only two shareholder proposals were brought to a vote, and both failed. The first, a measure to provide for cumulative voting, was reintroduced by corporate gadfly Evelyn Y. Davis. The measure received 15.4 percent of the votes cast at the meeting and by proxy. Last year, the same proposal garnered 21.1 percent.

A stockholder proposal that Chrysler directors be required to own at least 2,000 shares of Chrysler stock won only 7.3 percent of the shares voted.

Chrysler shuffles executive lineup

Cappy goes international, Damoose to oversee all company ads

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. last week announced a series of executive shuffles meant to groom the automaker's next generation of management.

The moves affected vice presidents and general managers in Chrysler's marketing, communications and international operations.

Joseph Cappy was named vice president of international operations, replacing Michael Hammes.

Hammes resigned to become executive vice president of Black & Decker Corp. and president of the \$2 billion power tools group.

Cappy, 56, had been Chrysler's vice president of brand development. In his new position, he will report to Chrysler Corp. Vice Chairman Gerald Greenwald.

There were also significant changes in Chrysler's recently restructured marketing organization.

John Damoose, who had been vice president of brand marketing, became vice president of marketing with broadened responsibilities. Damoose is now responsible for all of the company's advertising groups.

Previously, brand marketing groups had reported to Damoose, but the corporate advertising group had reported to Arthur (Bud) Liebler, executive director of corporate communications and marketing services.

Under the previous reporting structure, corporate ad campaigns such as Chrysler's highly visible "Advantage: Chrysler" campaign

were the responsibility of Liebler. Now, those campaigns will be overseen by Damoose.

Liebler last week was elected vice president of communications, reporting to Thomas Denomme, vice president of corporate planning and external affairs.

Liebler, 47, is responsible for directing all of Chrysler's public relations, internal communications and marketing services activities, including corporate merchandising, business planning and research.

In divisional marketing changes, Lawrence Baker was named general manager of the Jeep-Eagle division and Martin Levine was named general manager of the Dodge car and truck division.

The moves follow on the heels of a November 1989 marketing reorganization. At that time, Damoose was appointed a vice president, Levine was named general manager of Jeep-Eagle and Baker was named general manager of Dodge.

Under the latest round of changes, the corporate advertising group will be part of a newly-created unit announced last week headed by Ralph Sarotte. Sarotte was named director of multi-brand marketing programs. He will report to Damoose and be responsible for cross-brand marketing activities, including media budgeting and corporate advertising.

The naming of Cappy to head international operations gives the former American Motors Corp. executive broadened responsibilities within Chrysler's operations and

visibility in an arena of mounting importance. Chrysler wants to expand its global operations and become less dependent on the North American market for profitability.

It is unclear if Chrysler will fill the position of vice president of brand development vacated by Cappy. Chrysler has been trying to streamline its levels of management.

In his new job, Cappy will be responsible for all of Chrysler's operations outside of North America, including Diamond-Star Motors and Eurostar. Diamond-Star is a joint venture of Chrysler and Mitsubishi Motor Corp. in Bloomington, Ill. Eurostar is a joint venture of Chrysler and Steyr-Daimler-Puch in Austria.

He also has responsibility for Lamborghini, joint ventures with Renault and Fiat and new venture development around the world.

Correction

In the May 14 issue and the May 30 Market Data Book, Galpin Ford of Sepulveda, Calif., was inadvertently excluded from lists of 1989's largest dealers. Galpin Ford reported total sales of \$141.51 million, making it the 16th largest in total dollar sales, and its 6,208 Ford retail sales made it the fifth largest franchise for retail sales.

CAW looks to White knight to lead contract battle

Affable ways cloak tough negotiator

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

TORONTO — In 1952 at the age of 17, Bob White, president of the Canadian Auto Workers Union, got his first real taste of power.

White had been elected union steward at Hay & Co., a UAW-represented woodworking plant in Woodstock, Ontario.

"They gave me a steward button, and I went back in the plant the next day wearing it feeling I had the world by the ass," White wrote in his autobiography. "I changed from a kid whose curiosity had stopped growing in some ways to someone who had responsibilities and a lot to learn."

Today, at age 55, White still has a boyish look and loads of responsibilities — more so than ever, since he engineered the Canadian

● We have tried to organize them (transplants) before, but like in the U.S., the workers are young and have been propagandized. They will come on board, and it's only a short way down the road. ●

Bob White
CAW president



split from the UAW in 1985.

This summer, he must negotiate a new three-year contract for 90,000 Canadian auto workers.

"Workers are troubled; they're getting pretty damned angry," White says.

He even hints that he may retire from the CAW this year. Those who know him doubt he'll leave, and White himself won't talk about what he would do if he left the union.

But he does talk about his goals for the union. He still wants to organize the three

wholly owned Asian transplant factories in Canada, none of which have joined the CAW so far.

"We have tried to organize them before, but like in the U.S., the workers are young and have been propagandized," White says.

"They will come on board," he adds, "and it's only a short way down the road."

It's hard not to believe him. White is a man who likes to chase rainbows, and who likes to overcome adversity.

He is best known for his orchestration of the Canadian divorce from the UAW in 1985, a move that has made him *persona non grata* with UAW leaders in the United States.

"At the point he chose to attack and split the union leadership, I lost a great deal of respect for Bob as both a trade unionist and as a man," says Ernest Lofton, vice president and director of the UAW Ford department.

And while White admits the breakup hurts him, it pales in comparison to the pain

see WHITE, page 38

MODELS: 567 choices today; down 5 from 1989

By John K. Teahen Jr.
SENIOR EDITOR

DETROIT — With a gain for domestics and a decline for imports, the number of passenger-car models offered in the United States is just about the same as it was a year ago.

The annual *Automotive News* tabulation finds 567 models today, compared to 572 last year. The current fleet consists of 278 domestic entries, up 23 from last year, and 289 from overseas, down 28.

The increase for the domestics came mainly from Japanese transplants and joint-venture operations,

which added 13 models. On the Big 3 side, General Motors is up eight, and Chrysler Corp. is up two.

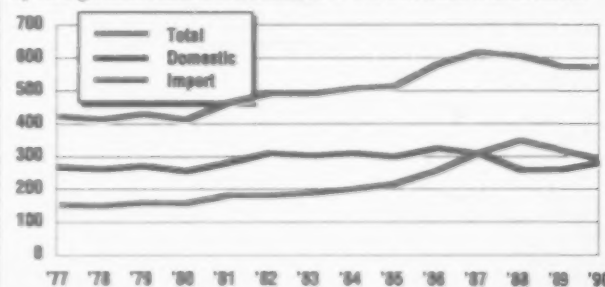
Ford Motor Co. is unchanged, a marvel of consistency. Not only is its total the same, every one of the company's domestic nameplates has exactly the same model lineup as it did at this time in 1989.

Biggest changes among the imports are a loss of eight models by Isuzu and a drop of seven by Nissan. Isuzu discontinued its I-Mark line and now has only one Impulse model. Nissan scuttled its Axxess wagons and dumped the Pulsar

see MODELS, page 51

Car models offered in U.S.

Number of car models, domestic and imported, offered for sale in the United States. Models built in the United States and Canada by foreign automakers are included in the domestic-model count.



Source: Automotive News figures

AUTOMOTIVE NEWS: SHALLOTTE WRITER



Jackson helped lead fight against gray-market imports.

AIADA, magazine honor Jackson as All-Star Dealer

WASHINGTON — Michael Jackson of Euro Motorcars in Bethesda, Md., has been selected the national 1990 Sports Illustrated All-Star Dealer.

Jackson, who sells Mercedes-Benz, Acura, Saab and Rolls-Royce at two dealerships in the Washington area, has been an import dealer for 11 years.

He will be honored at a banquet tonight during the American International Automobile Dealers Association's Automotive Congress here.

Sports Illustrated and AIADA said Jackson was chosen "for his significant contributions to both the international automobile industry and to his community."

The association cited him for his role in the fight to eliminate gray-market autos, which culminated in the Imported Vehicle Safety Compliance Act.

Jackson was one of seven dealers nominated for the award. He was chosen as the national winner by a panel of professors and deans of graduate business schools.

The other regional winners were: Sidney B. Deboer of Medford Honda in Medford, Ore.; Neil Huffman of Neil Huffman Nissan in Louisville, Ky.; Gary N. Olin of Qua Mazda-Saab in Bedford, Ohio; Fred Miller of Miller Imports Nissan in Van Nuys, Calif.; Larry Miller of Larry Miller Toyota in Murray, Utah; and William D. Ray Jr. of Baird-Ray Nissan in Longwood, Fla.

Light-truck tailpipe proposals worry makers

By Diana T. Kurylo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Proposals in the Senate and House clean air bills threaten to set considerably tougher pollution standards for light trucks that automakers say could wreak havoc on a lucrative market.

Both bills would require that base pickup trucks, stripped vans

and small sport-utilities adhere to the same pollution standards as passenger cars.

While automakers acknowledge that the smallest trucks do indeed resemble passenger cars, engineers for the Big 3 worry that some of the strict standards proposed for bigger light trucks in the Senate version can't be met.

The Senate version would require that pollution systems on the bigger light trucks meet stricter standards for 10 years or 120,000 miles, while the House bill loosens standards after 50,000 miles and exempts vehicles from testing after 75,000.

Engineers said they can't build a truck to run that clean for 120,000 miles, or perhaps even for 75,000, as the House would require.

If the Senate truck requirements prevail, that could spell trouble for automakers, whose profits have been bolstered over the past several years because of the growing popularity of light trucks.

"Trucks are already close to being cars in terms of size and weight. If we build trucks to pass car (emissions) specifications, they would have no durability or good carrying capacity, or be so streamlined they would be a car rather than a truck," said Gordon Allardice, executive engineer for certification and regulatory programs at Chrysler Corp.

"We don't know how to do it, and that's why we are so reluctant to accept the provision," he said.

Charles Gray, director of the EPA's control technology division,

House begins clean-air debate

By Diana T. Kurylo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The threat of mandated production of alternative-fueled cars hangs over automakers as the House prepares to debate a clean-air bill this week.

House negotiators last week failed to reach an accord that would avert a proposed amendment to mandate the sale of one million alternative-fueled cars.

Rep. Henry Waxman, D-Calif., a staunch environmentalist, has promised to introduce the measure. It would apply to the nation's nine smoggiest cities.

The 500-page clean-air bill, which is expected to come before the full House today, would only require automakers to cer-

tify that they can build alternative-fueled vehicles but doesn't mandate production.

Rep. John Dingell, D-Mich., who has been championing Detroit's concerns, met with Waxman and other congressmen in an attempt to thwart a floor fight on alternative fuels.

To sway support against Waxman and his environmental coalition, the Motor Vehicle Manufacturers Association last week ran dramatic full-page ads in a Capitol Hill tabloid.

One suggested that the amendment could doom alternative fuels by forcing unproven technology upon reluctant consumers. It urged, "Congress: Don't Kill the Clean Car!" and featured a tombstone that read, "Here Lies A Good Idea."

is surprised by the industry's protests. A lot of the targeted vehicles have the same engines as cars, so trucks should be able to meet the standards as easily, he says.

The House is expected to begin debate on its bill this week. Once approved, negotiators from both bodies of Congress will meet to agree on a final clean air bill.

The conference will be Detroit's last chance to push for a change, and the light truck issue rides high on the list of priorities, said Kelly

Brown, executive engineer of fuel economy and emissions control at Ford Motor Co.

The popularity of light trucks and their acceptance as affordable transportation rather than a work vehicle is what captured Washington's attention.

Currently, light trucks have much looser emissions regulations than passenger cars. But trucks must meet those standards for 10 years or 120,000 miles. Passenger

see TRUCKS, page 55

INDEX

Around the world	26
Auction dates	43
Classifieds	44-50
Dealing with dealers	33
Digest	53
Incentive watch	56
Late news	8
Legal briefs	36
Opinion	12
Personnel	34
Production	57
Sales, 10-day	6
Sales, import by model	24
Sales, trucks	10
Truck industry	16

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Early May sales off 8%; Big 3 dip, transplants gain

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Like Dr. Jekyll and Mr. Hyde, sales of U.S.-built new cars seem to shift from one personality to another, producing hope then despair.

Reversing the gain in the last 10 days of April, sales of domestic cars and trucks in the first 10 days of May dipped 8.03 percent from the same period a year ago.

Europeans fret about profitability, Page 54

Sales totaled 300,824 vehicles — 185,833 cars and 114,991 trucks. Car sales were down 9.66 percent; truck sales skidded 5.25 percent.

Each of the Big 3 reported a decline; each of the Japanese transplants reported an increase.

Chrysler Corp. took the biggest sales dive. Its car sales were off 23.02 percent, and its truck sales dipped 15.13 percent.

The only Chrysler car line to show a sales increase over the first 10 days of May 1989 was the Plymouth Laser. Dealers sold 1,345 Lasers, a jump of 126.05 percent.

Chrysler's Eagle Premier/Dodge Monaco twins saw little sales interest. Premier sales tumbled 63.41 percent; only 375 were sold during the first 10 days of May. Monaco, didn't fare even that well, 133 going out dealer doors.

Ford didn't have much to boast about either. Its car sales were down 17.89 percent, and its truck

sales were off 8.97 percent. Every Ford and Mercury car nameplate suffered a sales decline.

The Lincoln Town Car was Ford Motor's big winner. Its sales rocketed 81.10 percent. Sales of Continentals were up slightly, to 1,345 from 1,323 last year.

General Motors' suffered the least of the Big 3. Its total vehicle sales were down 8.70 percent for the period. GM's truck sales rose 1.45 percent, but its car sales tumbled 13.58 percent.

Pontiac was its biggest loser, down 26.10 percent. Sales of every Pontiac nameplate declined for the period.

Chevrolet was the only GM division to post a gain, a modest 0.58 percent. Sales of the Geo Prizm remained strong, increasing to 3,239 from 2,292 a year ago, a gain of 41.32 percent. Sales of the redesigned Caprice soared 39.38 percent.

Among the transplants, Mitsubishi Eclipse sales jumped to 1,776, a 155.91 percent increase over last year. The Eclipse is a sister car to the Chrysler Eagle Talon, which had 856 sales for the 10-day period, and the Plymouth Laser, which had 1,345.

Chester Phillips, general manager at Bob King Mitsubishi in Winston-Salem, N.C., said he can't keep enough Eclipses on hand. "I think it's just a well-designed car," he said. "Inventory is short; I need some more."

Toyota sold four times as many

10-DAY SALES DOMESTIC BUILT CARS

	May 1-10, 1990	May 1-10, 1989
Eagle	1,231	1,025
Chrysler	6,758	5,844
Dodge	8,453	14,618
Plymouth	6,354	8,125
CHRYSLER MTRS.	22,796	29,612
Ford	31,841	41,160
Lincoln	7,494	5,603
Mercury	8,792	11,852
FORD MOTOR	48,127	58,615
Buick	11,075	14,299
Cadillac	8,232	9,392
Chevrolet	40,024	39,794
Oldsmobile	14,469	18,754
Pontiac	16,073	16,073
GENERAL MTRS.	89,873	103,990
Honda	11,238	8,494
Mazda	1,157	639
Mitsubishi	1,776	694
Nissan	1,534	1,042
Subaru	214	—
Toyota	9,118	2,624
U.S. CAR TOTAL	185,833	205,710

	May 1-10, 1990	May 1-10, 1989
Chrysler	58	—
Dodge	14,029	16,006
Jeep	5,276	6,823
Plymouth	4,506	5,294
CHRYSLER MTRS.	23,869	28,123
Ford Motor	37,974	41,715
Chevrolet	39,152	38,616
GMC	9,965	11,313
Oldsmobile	589	—
Pontiac	948	—
GENERAL MTRS.	50,654	49,929
Isuzu	262	—
Nissan	2,232	1,599
U.S. TRK. TOTAL	114,991	121,366
U.S. CAR-TRUCK TOTAL	300,824	327,076

There were 9 selling days in the period this year and last.

U.S.-built Corollas and three times as many U.S.-built Camrys as it did in early May last year. Combined sales of the two lines were 9,118 compared to 2,624 in 1989.

Sales of U.S.-built cars were up 32.31 percent for Mazda and 47.22 percent for Nissan. Nissan's truck sales rose 39.59 percent.

Europe probes Austrian aid in Chrysler-Steyr van deal

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The European Commission is investigating charges that the Austrian government provided excessive support to Chrysler Corp.'s joint minivan production venture with Steyr-Daimler-Puch Fahrzeugtechnik in Graz, Austria.

A commission spokeswoman in Brussels, Belgium, confirmed that an inquiry is under way, but she declined to give details or to confirm rumors that the probe was sought by Regie Nationale des Usines Renault S.A., maker of the competing Espace minivan.

The commission, which applies competition rules approved by EC member nations, can block government aid packages it judges to be anti-competitive.

While Austria is not a member of the European Community, the commission believes it has jurisdiction because 95 percent of the Austrian production would be exported to the community.

Chrysler and Steyr plan to begin building Voyagers in Europe in June 1991. The 50-50 joint venture, known as Eurostar GmbH, expects to produce 25,000 minivans annually at first, rising to 125,000 within five years.

Federal, state and local government units will pick up one-third of the investment cost of 4.33 billion Austrian schillings (\$375 million). The first phase, providing capacity for 25,000 to 30,000 units, will cost 1.6 billion schillings (\$138 million).

Chrysler Chairman Lee Iacocca

has called the project a "three-way partnership between Steyr and Chrysler and the Republic of Austria."

The spokeswoman for the EC competition office confirmed that the matter is "under investigation." She added, "I wouldn't say this is routine, but it is quite a normal case."

She said the parties will be informed when the inquiry is completed, "but in the case of Chrysler, at the moment nothing can be said."

She declined to speculate on how long the investigation might last and would not confirm that it was instigated by Renault, whose Espace has long been the only minivan on the European market.

Nonetheless, a Chrysler official in Europe remarked that "there is a likely connection there."

"That's crazy," said a Renault spokesman. "It is absolutely not true. Can you imagine? We are a partner with Chrysler." Renault is Chrysler's partner in the JJ small Jeep production venture in Spain.

Michael Lutsch, project director for Eurostar and former manager of Chrysler's assembly plant in Bramalea, Ontario, said, "The discussions are between the Austrian government and the EC. We have not been contacted. As far as we are concerned, everything is on schedule."

But Lutsch said the joint venture has provided information to the Austrian government showing that the incentive package is in line with that offered by other countries and is lower than many.

UAW meets to prioritize demands

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Some 2,000 UAW delegates will gather in Kansas City, Mo., this week as the union begins the task of choosing the most important points for this summer's negotiations with the Big 3.

UAW President Owen Bieber has said for months that job security will be the No. 1 issue. Just how the union will try to achieve that goal is another question.

"That problem will be front and center," said former UAW President Douglas Fraser.

Workers now have protection if they lose their jobs because of new technology. "But what happens when you have volatility in the marketplace; that's what's missing from job security," Fraser said.

Workers thought they had security under the current contract, which was signed in 1987 and expires Sep. 14. In that contract, the automakers agreed to a moratorium on plant closings except for slow sales.

Since 1987, General Motors has idled three plants and plans to shutter another one in August due to poor sales. Chrysler has closed two plants and plans to close another in September.

6 I don't think Bieber understands what COLA on pensions means to the membership. This would open up thousands of jobs. 9

Dave Yettaw
UAW Local 326

Bieber told delegates at a skilled trades conference in April that workers should not have to bear the full brunt of the automakers' lost market share.

"America's industrial challenge is not a little bit management's fault and a little bit union's fault," Bieber said. "It's management's failures, plain and simple, that have put us in the precarious situation we face in so many sectors today."

"In this year's negotiations, we must demand a fundamental reorientation in management's approach to union-represented workers," Bieber said.

Other big issues that are expected to be debated this week include overtime, outsourcing, cost of living allowance on pensions, mandatory vacations, cuts in the international union staff, joint programs, supplemental unemployment benefits,

health care costs and union representation on company boards.

Skilled trades delegates approved two resolutions at their convention that could help ease the decline in rank-and-file jobs: mandatory vacations and cuts in overtime.

They also rejected a proposal calling for COLA on pensions, an issue that top union officials, including Bieber, have said may be too costly.

"I don't think Bieber understands what COLA on pensions means to the membership," said Dave Yettaw, president of UAW Local 326, a GM local in Flint, Mich. "This would open up thousands of jobs."

A hot debate on the issue is expected because GM recently proposed that the pensions of retiring Chairman Roger Smith and other top executives be doubled.

"GM's greed is exceeded only by its insensitivity," Fraser said. "I empathize with union leaders today because the world is so complex."



Fraser



Bieber

SAAB STORY

Dealers chided for slighting customers

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Robert J. Sinclair has given dealers a royal reprimand after discovering that the customer isn't always king at Saab stores.

The president of Saab-Scania of America shared his displeasure in dealer meetings after "shoppers" posing as customers reported they were treated poorly in some dealerships.

The visits were part of a new program to assess how sales staffs fare in about 32 measures of customer satisfaction. They include greeting customers, demonstrating products and explaining ownership programs.

Members of Saab's dealer advisory council said the overall tone was optimistic, but they could have done without the tongue-lashing.

Sinclair feels Saab's slumping sales will improve if dealers treat customers better.

"People who buy Saabs are intelligent, discriminating people, often including professional people, and they expect to be treated accordingly," Sinclair said after the meetings in Miami and in Colorado Springs, Colo., earlier this month. "People walk in and aren't treated professionally," he said. Saab sales were down 19.7 percent through April, to 10,611.

Some dealers were "quite re-



Sinclair to dealers: Treat your customers better.

sentful" about the typically blunt remarks from Sinclair, but they didn't take lasting offense, said Herald Friedley, owner of Friedley Saab in Cedar Falls, Iowa.

"He (Sinclair) was speaking of some isolated incidents. There were some high-quality, good dealers there, and they felt like they didn't need to hear that," Friedley said last week.

He said one salesman flunked "about 30 out of 32" categories on the shopper test, but others did better.

Council Chairman Felix Bosshard said, "The dealers were somewhat taken aback."

"I don't think anybody was particularly riled up about it, but they would have liked a little more positive approach," said Bosshard, owner of Charles River Saab in Watertown, Mass.

TRUCK INDUSTRY

U.S.-built Cargo line to replace old Ford 'C'

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. is planning a number of changes in its 1991 L-7000/8000 heavy trucks, AeroForce tractors and WorkForce trucks, as well as its F-series medium-duty models.

Ford also plans to phase out its C-series medium-duty, replacing it with the Cargo at its Louisville, Ky., assembly plant.

Ford will stop building the C-series in June, ending its 34-year life. More than 250,000 units have been produced.

The modern Ford Cargo will replace the C series on the production line at Ford's Kentucky truck plant in October. Cargo has been imported from Brazil since 1985.

The Cargo is undergoing significant tooling and sourcing changes as a 1991 model for the U.S. market, a process that will take a year to complete. The vehicle is also sold in other countries.

A wide range of components will be obtained from North American suppliers. They include frame rails, clutches, radiators, fans, fuel tanks, air compressors, alternators, instruments, batteries, mirrors and all glass.

The changes on the Cargo will result in a much greater parts commonality with Ford F-series and L-series trucks, facilitating parts and service availability for customers, according to John Merrifield, Ford heavy-truck sales manager.

The first Kentucky Truck Cargo models will be the CF-8000 with the 210-horsepower, 7.8-liter Ford diesel engine, offered in a choice of four wheelbases. Two months later, the 190-hp version of the Ford die-

sel will be added.

Next spring, the plant will begin assembly of the CF-7000 line with 6.6-liter engines in 170- and 185-hp versions. All Ford diesel engines for Cargo will have air-to-air aftercooling. Air brakes will be standard on all models.

The 1991 L-7000/8000 heavy trucks will feature new hydraulically damped cab mounts to improve their ride. New brake and steering-gear features are designed to improve handling and performance on selected models.

S-Cam brakes will replace wedge brakes as standard equipment on L/LN models with 16,000- to 20,000-pound front axles. They will also be equipped with dual Ross TA65 power steering gears for improved performance.

New to the Ford lineup, the Ross power steering gear will also be standard equipment on all L-series models with conventional 7,000- to 12,000-pound front axles.

Other 1991 changes include an optional aerodynamic hood on LS/LTS models, flush-mounted door handles moved down for easier access, a new 210-inch-wheelbase model to take advantage of federal weight and loading requirements and, later in the model year, an improved climate control system and improved diesel engines.

The new heating/air conditioning system is designed to eliminate condensate leakage, improve air distribution through new ducting and provide improved performance and serviceability.

Ford is also updating its AeroForce line of tractors and WorkForce Class 8s.

sels, Merrifield said.

The Ford 270 diesel is an air-to-air aftercooled engine for hub and spoke regional tractor and truck applications.

The 215-hp diesel generates the same torque as the 270-hp, but at lower rpm. A less expensive alternative to low-power premium diesels, it is geared to intracity service where high torque, rather than high horsepower, is required.

Ford diesels feature a specially calibrated Garrett turbocharger to boost the volume of air to the cylinders, direct fuel injection and free-breathing "cross-flow" intake and exhaust ports.

Ford is also adding multi-port electronic fuel injection to its 7.0-liter gasoline engine. Its horsepower is projected to be 235 at 3,600 rpm, compared with a 193-hp rating for the carbureted version.

Ford's medium-duty F-series will have a standard front-tilt hood in 1991. An "alligator" type hood can be specified at a lower price.

To meet driver demand, a Ford-designed exhaust brake will be available on the 1991 F-series models with manual transmissions and air brakes. The new exhaust brake will function when an instrument-panel switch is turned on and the throttle is in idle position with the clutch engaged.

APRIL TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001- 16,000 GVW CLASS 4	16,001- 19,500 GVW CLASS 5	19,501- 26,000 GVW CLASS 6	26,001- 33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1990	TOTAL 1989
CHRYSLER-PLYMOUTH MO		12,584						12,584	17,224
	YR	64,223						64,223	61,746
DODGE	MO	39,066						39,066	51,215
	YR	174,372						174,372	188,787
JEEP	MO	14,051						14,051	20,180
	YR	66,322						66,322	77,368
TOYOTA	MO	22,171						22,171	21,131
	YR	82,076						82,076	70,787
NISSAN	MO	16,424						16,424	11,085
	YR	60,333						60,333	57,159
MAZDA	MO	9,644						9,644	7,307
	YR	36,128						36,128	28,811
ISUZU	MO	8,548						8,548	7,817
	YR	34,802						34,802	29,629
MITSUBISHI	MO	3,020						3,020	2,734
	YR	14,340						14,340	12,044
SUZUKI	MO	1,340						1,340	1,562
	YR	5,584						5,584	9,068
SUBARU-ISUZU	MO	1,444						1,444	
	YR	2,562						2,562	
RANGE ROVER	MO	262						262	408
	YR	1,352						1,352	1,599
DAIHATSU	MO	357						357	
	YR	1,382						1,382	
FORD	MO	122,133	2,565		341	2,225	1,196	128,460	132,250
	YR	456,692	9,372		1,508	8,997	4,360	480,929	492,734
FREIGHTLINER	MO						1,772	1,772	2,105
	YR						7,870	7,870	8,117
CHEVROLET	MO	112,750		26	495	530		113,801	119,562
	YR	427,129		112	2,396	2,409		432,048	426,281
GMC	MO	30,514		282	350	908		32,064	33,373
	YR	109,548		1,194	1,492	4,327		116,501	121,568
OLDSMOBILE	MO	2,389						2,389	
	YR	7,197						7,197	
PONTIAC	MO	3,366						3,366	
	YR	9,681						9,681	
KENWORTH	MO					38	1,178	1,216	1,587
	YR					165	4,957	5,122	6,011
MACK	MO				107	143	1,385	1,635	2,356
	YR				461	615	4,781	5,857	8,255
MERCEDES-BENZ	MO				45	79		124	211
	YR				166	342		508	673
NAVISTAR	MO		5	15	1,795	2,534	2,926	7,275	8,436
	YR		12	42	4,937	9,957	9,065	24,013	26,569
PETERBILT	MO					87	1,113	1,200	1,885
	YR					208	4,166	4,374	5,600
VOLVO/GM HEAVY	MO					67	1,506	1,573	1,477
	YR					241	4,686	4,927	5,761
HINO	MO	13		23	9	84		109	118
	YR	114		152	204	381		851	711
NISSAN DIESEL	MO	30		60	25	31		146	147
	YR	251		328	156	191		926	808
ISUZU TRUCK	MO	417	59	34	332	49		891	574
	YR	2,175	227	127	1,048	210		3,787	2,868
MITSUBISHI FUSO	MO	143		57	25	56		281	175
	YR	609		241	87	224		1,161	1,131
SCANIA	MO						8	8	3
	YR						41	41	20
IVECO TRUCKS	MO	92	35	17	11			155	150
	YR	418	140	82	44			684	675
WESTERN STAR	MO						96	96	142
	YR						339	339	501
OTHER DOMESTICS	MO						83	83	114
	YR						341	287	353
GRAND TOTAL, 1990	MO	400,758	2,664	514	3,545	8,811	11,263	425,555	445,480
	YR	1,557,290	9,751	2,258	12,535	28,288	40,517	1,645,634	1,645,634
1989 YR to DATE		1,540,606	9,554	2,042	13,573	31,384	40,415	1,645,634	

NOTE: Class 1-3 reported by individual manufacturers. Class 4-8 reported by Motor Vehicle Manufacturers Association.

Ford says diesel upgrade will boost fuel efficiency

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. is upgrading its diesel family of medium- and heavy-truck engines and powertrains for other medium-duty models to meet 1991 emission standards.

Ford diesel engines will have upgraded fuel injection, governing systems and air-to-air aftercooling across the board.

The changes improve fuel efficiency and do not require the use of electronics or expensive exhaust aftertreatment systems, said John H. Merrifield, Ford heavy-truck sales manager.

The 1991 Ford diesel engine lineup will include 6.6-liter, 170- and 185-horsepower engines and 7.8-liter, 190-, 215-, 225-, 240- and 270-hp engines, all certified for 50 states and Canada.

Ford diesel engines are standard on the Cargo medium-duty low tilt trucks, on L-series single and tandem rear axle and set-back front axle models, and on B-Series buses. They are optional on the medium-duty F-series.

The 270-hp version of the 7.8-liter generates 735 pounds-feet of torque. It is optional on all Ford L-8000 models. That torque rating is the highest of any mid-range diesel and compares favorably with the torque of premium die-

4 European lines post April gains

By Jim Honry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The European import community continued to field some sales winners in April, although import-car sales for the month slipped to 205,671, down 15.2 percent from last year.

Audi of America Inc., Jaguar Cars Inc., Mercedes-Benz of North America Inc. and Porsche Cars North America Inc. posted sales increases. All of them lost sales in 1989 but so far this year are ahead of their year-ago pace.

Still, European imports as a whole were down about 12.2 percent for the month, to 40,538.

Japanese imports declined about 13.4 percent to 146,321, but Japanese makers' U.S. transplants are taking up the slack.

GM's imported Geo car models proved an exception. They gained 4.8 percent for the month and jumped nearly 50 percent for four months to 53,970.

Korean imports were down 31.2 percent to 18,812.

The Europeans' strongest performers tended to be newer, cheaper models or models that were the subject of price cuts or other special incentives.

Jaguar, which posted record first-quarter sales, continued to climb in April with a monthly gain of about 19 percent to 1,599 cars. Through April, Jaguar sales were up about 8.9 percent to 6,343. Jaguar introduced a less expensive version of its XJ6 sedan last fall.

Mercedes-Benz didn't cut prices,

MARKET SHARES Domestic, Import cars

	April Sales	Pct. of Total
Subcompact	185,430	23.12
Compact	208,749	26.03
Intermediate	280,307	34.95
Standard	112,214	13.99
Specialty	15,399	1.92
TOTAL	802,099	100.00

but said last fall it held price hikes to a minimum while increasing content. The Mercedes 300 class posted the most significant gain, up about 30 percent for the month. Mercedes April sales were 6,674, up 12.5 percent. For four months, they were up 4.1 percent to 24,030.

The Audi 80 scored the biggest percentage gain for Audi in April,

increasing 81.7 percent. Audi was up 42.6 percent for the month and was up 13.6 percent for four months.

Porsche sales rose 28.3 percent in April and 29.9 percent for four months.

BMW's entry-level 3 series gained about 12.5 percent to 3,242 cars in April, helping BMW sell 5,848 cars, just about equal to April 1989. BMW adopted low-interest financing on some 3-series models in March. Year-to-date, however, BMW sales were down about 13 percent to 20,336.

Sales for Saab-Scania of America Inc. fell about 19 percent for the month to 2,182; year-to-date sales were down 19.7 percent to 8,518.

IMPORT SALES BY MODEL

	April 1990	April 1989	4 Mos. 1990	4 Mos. 1989
ACURA	12,380	12,716	44,317	43,499
Integra	7,967	7,439	26,904	22,451
Legend	4,413	5,277	17,413	21,048
ALFA ROMEO	179	206	756	1,242
Milano	2	52	18	563
Spider	177	154	738	679
ASTON MARTIN	5	5	20	20
AUDI	1,517	1,064	6,466	5,691
4000	0	4	0	32
5000	0	27	10	172
80	347	191	1,405	1,809
90	249	241	1,099	1,730
V8 Quattro	149	0	549	0
Coupe Quattro	59	0	285	0
100/200	598	470	2,558	1,421
100/200 Quattro	115	131	560	527
BMW	5,848	5,900	20,336	23,376
3-Series	3,242	2,881	9,429	11,156
5-Series	1,768	2,058	7,606	7,470
635 CSI	24	119	164	517
7-Series	684	864	2,773	3,631
M3	76	125	275	419
M5	34	40	43	179
M6	0	42	6	233
CHEVROLET/Geo	13,098	12,496	53,970	36,009
Geo Storm/Spectrum	9,797	6,705	32,026	18,884
Geo Metro/Sprint	3,301	5,791	24,580	17,125
CHRYSLER MOTORS	4,583	10,747	20,987	39,399
Colt	2,436	6,270	11,070	21,874
Conquest	157	655	663	2,186
Medallion	86	726	317	2,834
Summit	1,258	1,636	5,198	7,462
Vista	369	1,346	2,161	4,670
TC	277	114	1,578	373
DAIHATSU	811	1,055	4,459	4,395
FERRARI	80	80	320	320
FORD Festiva	5,042	6,426	21,428	25,780
HONDA	21,106	25,661	74,636	74,556
Civic/CRX	5,852	7,779	20,672	20,672
Accord	11,756	12,132	44,261	38,539
Prelude	3,498	5,750	10,874	15,345
HYUNDAI	10,411	16,808	44,822	66,499
Excel	7,803	13,513	34,643	60,127
Sonata	2,608	3,295	10,179	6,372
ISUZU	294	1,520	1,130	6,069
I-Mark	118	1,113	698	4,859
Impulse	176	407	432	1,210
INFINITI	1,861	0	5,356	0
M30	424	0	2,020	0
Q45	1,237	0	3,336	0
JAGUAR	1,599	1,344	6,343	5,827
XJ6	1,175	981	4,342	4,342
XJS	424	363	1,695	1,485
LAMBORGHINI	13	13	52	52
LEXUS	5,117	0	18,284	0
ES 250	1,613	0	7,452	0
LS 400	3,504	0	10,832	0
LOTUS	27	27	108	108
MASERATI	20	21	80	111
MAZDA	12,913	14,619	52,732	58,062
323	1,718	6,727	6,852	27,570
Protege	3,447	0	13,573	0
626	1,891	3,716	12,202	15,300
MX-6	24	572	50	1,481
Miata	2,549	0	12,346	0
929	1,468	2,162	4,558	6,927
RX-7	1,022	1,442	3,151	6,804
MERCEDES BENZ	6,674	5,934	24,030	23,082
190	1,190	1,051	4,186	3,841
300E 2.0/200E	173	403	763	1,328
300	2,315	1,809	8,084	7,444
300 SE	667	525	2,226	2,183
300SEL	346	353	1,281	1,281
420SEL	593	539	2,188	2,142
560SEL	398	388	1,609	1,654
560SL	685	691	2,829	2,545
560SEC	144	127	582	508
MERCUY/MERKUR	1,302	5,991	6,987	21,510
Tracer	785	5,262	4,701	18,229
XR4Ti	0	526	198	1,876
Scorpio	517	203	2,088	1,405
MINI	9,325	5,347	42,262	22,546
Starion	3	39	11	442
Cordia	0	9	0	319
Tredia	0	0	0	10
Mirage	5,012	1,112	25,166	3,716
Galant	3,662	2,735	14,212	11,405
Sigma	233	0	710	0
Precis	415	1,312	2,163	6,009
NISSAN	25,434	34,298	109,540	132,481
Sentra	4,541	9,277	26,751	44,564
Pulsar	501	3,101	2,740	8,438
Stanza	6,964	4,835	20,788	12,744
Maxima	7,392	8,107	34,501	35,161
240SX/200SX	3,908	6,173	15,754	23,833
300ZX	1,879	1,916	7,843	6,018
Hawaii	249	889	1,163	1,723
PEUGEOT	449	558	1,578	1,984
PONTIAC Lemans	3,359	4,124	9,743	15,541
PORSCHE	1,012	789	3,374	2,597
924S	27	6	133	60
944	0	155	56	391
944S	255	21	708	45
944 Turbo	60	67	353	208
911 Coupe/Carrera 4/2	453	180	1,174	695
911 Turbo	2	105	6	401
911 Cabriolet/Speedster	149	171	688	524
928S	66	84	256	273
ROLLS-ROYCE	100	100	400	400
SAAB	2,182	2,693	8,518	10,611
900	371	391	1,370	1,612
900S	462	578	1,530	2,268
900 Turbo	778	780	2,718	3,200
9000S	154	209	690	988
9000 CD	283	501	1,277	1,391
9000 Turbo	127	211	896	1,090
Tourist	7	23	33	62
STERLING	302	351	1,705	2,135
SUBARU	9,409	12,529	33,984	50,307
Hatchback	24	209	117	1,219
3-Door	32	624	126	2,437
4-Door Sedan	47	2,983	236	17,151
Legacy	6,182	603	20,234	603
Loyale	1,388	938	5,954	938
XT/XT6	122	1,194	599	3,809
Station Wagon	34	3,442	91	14,808
Justy	1,580	2,536	6,561	9,342
SUZUKI	448	414	2,053	2,000
TOYOTA	30,099	38,484	122,275	136,941
Corolla	6,705	8,793	31,575	32,035
Tercel	8,213	8,503	33,786	31,744
Celica	7,315	4,975	27,823	18,328
Supra	584	1,329	2,718	5,577
Camry	4,727	12,685	19,853	40,504
Cressida	902	1,641	3,188	6,940
MR2	1,653	558	3,332	1,813
VOLKSWAGEN	10,240	10,690	39,395	40,401
Cabriolet	729	1,041	2,536	3,210
Carrera	389	0	1,527	0
Jetta	5,041	4,544	18,732	17,182
Golf/GTI	1,033	1,764	4,364	6,606
Passat	1,348	0	3,982	0
Quantum	3	148	22	555
Scirocco	1	122	8	641
Fox	1,685	3,267	8,224	12,397
VOLVO	8,036	8,690	30,436	30,090
240 Series	2,777	3,145	11,506	13,797
740 Series	4,447	3,571	15,741	14,794
760 Series	584	1,718	2,687	4,806
780	72	243	271	601
Tourist	56	13	231	92
YUGO	590	673	2,584	3,331
IMPORT TOTAL	205,671	242,573	815,466	890,972

CRACKDOWN

GM to repair engine support cracks in Phoenix police department cars

PHOENIX — General Motors is repairing the Phoenix Police Department's Chevrolet Celebrities that have cracks in the engine supports.

The cracks were discovered last month on 67 of 88 1985- and 1986-model Celebrities, said Juan Martin, Phoenix deputy public works director.

Most of the cars had been driven 40,000 to 70,000 miles, said Mike Lopker, equipment management administrator for

the public works department. The city estimated repair costs at \$600 to \$700 per car.

GM has shipped the department subframes for 20 of the cars, reimbursed the city for the installation and hired a car dealer to weld the other 47 cracked frames.

GM also paid for the installation of reinforcement gussets for other Celebrities in the fleet in which cracks have not developed.

— The Associated Press

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AROUND THE WORLD

VW big winner in Mexico car market; Ford's share dives

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — A surge in Beetle sales helped Volkswagen de Mexico S.A. de C.V. catapult to a 39.3 percent share of the Mexican car market in the first quarter.

VW's 12.8 percentage point increase in market share was the quarter's most explosive in a strong Mexican industry. At the other extreme, labor-hampered Ford saw its share sliced in half.

VW Executive Commercial Director Dietrich Aufenacker said VW's wholesale passenger-car sales from January through March were 28,084 units, almost 10,000 more than those of second-placed

Nissan Mexicana S.A. de C.V.

Nearly half of VW's sales (15,453) were Beetles.

In all, the five car assemblers in Mexico wholesaled 71,393 passenger vehicles, 11.2 percent more than in the same period last year.

Nissan's sales rose, but its share fell 0.4 points to 25.6 percent.

Third-place Chrysler Mexico S.A. saw its share slip more than 4 points to 20.3 percent. A 28.7 percent sales increase pushed General Motors de Mexico S.A. de C.V.'s share from 7.4 to 8.5 percent.

Ford's plunge dropped the company to a 6.3 percent car share, down from 15.4 percent in the

year-ago quarter. Sales fell by more than half as the company was pinched by labor unrest at its Cuautitlan plant, where production has been curtailed most of the year.

VW has been producing at full strength and still could use more capacity. "We are completely sold out on the domestic market," Aufenacker told *Automotive News*.

He said the waiting list for a Beetle is four or five months and about two months for Golf and Jetta. He said VW could sell 30 percent more Beetles if it had sufficient capacity.

The company's assembly plant in Puebla, which produced 60,000 vehicles in 1988 and twice that num-

MEXICAN CAR SALES

	1st quarter 1990	1st quarter 1989
Volkswagen	28,084	17,007
Nissan	18,300	16,685
Chrysler	14,413	15,886
General Motors	6,095	4,734
Ford	4,501	9,886
Total	71,393	64,198

ber last year, is expected to assemble 220,000 vehicles this year.

About 94,000 will be Beetles. The rest will be Golfs, Jettas and Type 2 vans and minibuses. The Beetle line is working three shifts, and a third shift will be added shortly for Golf and Jetta production, Aufenacker said.

He said about 60,000 Golfs and Jettas will be exported this year, all to Canada and the United States. Canada only receives the Golf; the United States imports both.

Aufenacker said two shipments each month of between 3,600 and 4,000 vehicles each are sent to the United States and Canada.

Asked about possible exports of the Beetle, which is produced only in Mexico, Aufenacker said: "We don't have enough capacity to export the Beetle. Of course, there are markets that are interested."

Aufenacker said last year VW began shipping Golfs and Jettas to Paraguay and Chile.

Ford asks Mexico for early imports to ease shortage

By Stephen Downer
STAFF CORRESPONDENT

Ford Motor Co. S.A. de C.V. is awaiting Mexico's approval to import thousands of vehicles from the United States to offset a production shortage in that country.

The move would bring an early end to the Mexican government's decree issued last December that kept a ban on all new vehicle imports until the start of the 1991 model year.

Ford has suffered a steep drop in sales and market share because of production stoppages at its plant in Cuautitlan.

An internal labor squabble that began with a Jan. 8 fatal shooting has evolved into a dispute over rehiring. By the end of April, daily production was still about 100 units short of the normal 450 vehicles per day, spokesman Carlos Bandala said.

Mexican industry sources said Ford wants to initially import 4,000 to 5,000 vehicles. They would include Tempo, Taurus and Thunderbird/Cougar models.

Cuautitlan production includes the Taurus, Thunderbird, Tempo and pickup trucks.

Bandala did not deny the reports that the company approached the government, but said the Mexican Automotive Industry Association has approached the government on behalf of Mexico's five automakers, not just Ford.

But executives at two other companies said Ford has pursued the issue on its own.

Cesar Flores, the association's president, declined comment. Trade and industrial development ministry officials could not be reached.

According to one competitor, Mexico's four other automakers wouldn't want to see the import ban lifted prematurely. "We have invested in our domestic production, and a weak Ford suits everyone, especially Chrysler and GM," he said.

Nissan and Volkswagen also produce in Mexico.

The Cuautitlan dispute caused Ford car sales to fall to 4,501 units in the first quarter, down from 9,886 a year earlier.

Many workers at the plant are reported to have voted in favor of abandoning the powerful Federation of Mexican Workers and joining an independent trade union movement.

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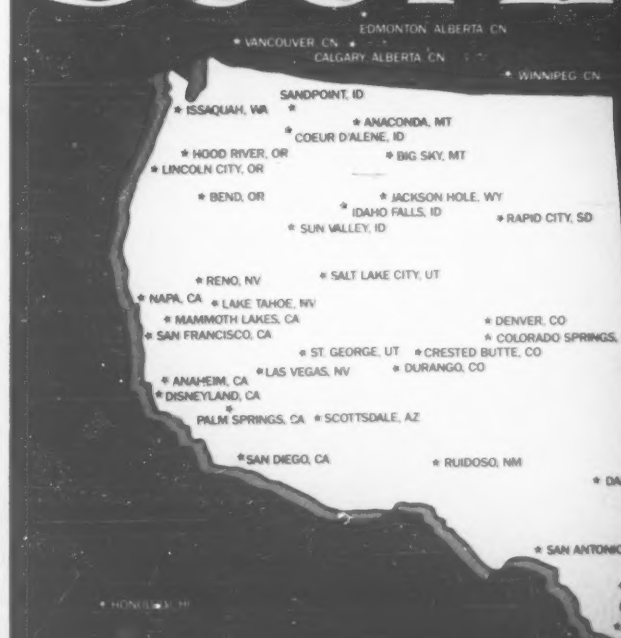
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TRUCKS

FROM PAGE 3

cars only have to comply for five years or 50,000 miles.

The House and Senate bills propose not only to tighten the tailpipe standards for light trucks but differentiate between truck sizes.

Both bills set new categories for these vehicles. Those weighing less than 3,750 pounds — bare minivans and the so-called "beach boy" pickups often decked with chrome wheels and customized paint jobs — would have to comply with passenger car standards. Detroit isn't protesting that issue too vocally.

But vehicles weighing between 3,750 and 5,750 pounds — including nearly all minivans, pickups and sport utilities — face standards that virtually double today's requirements. What's more, under the Senate bill the tougher stan-

dards would still have to be met for 10 years or 120,000 miles.

The House bill is less stringent. Because of a deal struck by Rep. John Dingell, D-Mich., and Henry Waxman, D-Calif., the standard is lowered after 50,000 miles and the government wouldn't run compliance tests on them after 75,000 miles.

Why the difference in the Senate?

The original draft of the Senate bill lumped all trucks with passenger cars and set the same emissions standards for all vehicles. The House adopted California standards for light trucks, which the industry has said it can meet.

Negotiators in the Senate ultimately loosened standards for automobiles, lowering levels after 50,000 miles for passenger cars and

the lightest of trucks — base pickups, small sport-utilities and stripped minivans.

But similar adjustments were not made for trucks weighing between 3,750 and 5,750 pounds.

"They simply ran out of time and told us we'd have to get it fixed in conference," Brown said.

Lobbyists and engineers were astounded. The industry had anticipated new truck emissions requirements — but nothing like the Senate proposed.

The EPA notified manufacturers 18 months ago that it would seek to tighten standards but backed off when Congress took up the clean air bill last fall. "We never anticipated anyone would do anything as illogical as what happened in the Senate," Brown said. "We have a

PROPOSED LIGHT TRUCK EMISSION STANDARDS (Exhaust allowances in grams per mile)

	Current	Senate	House
Trucks less than 3,750 pounds			
Hydrocarbons.....	0.80	0.25	0.25
Carbon monoxide.....	10.00	3.40	3.40
Nitrogen oxides.....	1.20	0.40	0.40
Compliance.....	10 yr/120,000 mi	10 yr/100,000 mi	10 yr/100,000 mi
Trucks 3,750 to 5,750 pounds*			
Hydrocarbons.....	0.80	0.32	0.32
Carbon monoxide.....	10.00	4.40	4.40
Nitrogen oxides.....	1.70	0.70	1.00
Compliance.....	10 yr/120,000 mi	10 yr/120,000 mi	5 yr/50,000 mi**

*Current standards cover vehicles up to 8,500 pounds.
**HC and CO standards are lower for next 5 yrs./50,000 miles

confusing mess."

Manufacturers estimate the cost of making trucks comply with new pollution standards will run between \$300 to \$500 per vehicle — similar to the cost of bringing a passenger car into compliance. But

the engineering task will be more difficult.

"It is tougher to do a truck because of the different transmission gears, rear axle gears and larger engine have to do more work than a car," Brown said.

PALLADIUM

FROM PAGE 1

dium-rhodium or even palladium-only catalysts could be short-term if higher automotive requirements for the material prompt speculators and precious metals traders to quickly drive up palladium's price.

"There might be some short-term cost savings if you could absorb the risks," says Kenneth R. Deming, a senior staff engineer for exhaust systems at the AC Rochester Division of General Motors. "But it certainly doesn't make sense to save \$30 (per vehicle) in the short run and then have a \$300 recall campaign."

Platinum currently trades at approximately \$490 per troy ounce. Palladium trades at \$119 per troy ounce. And rhodium trades at about \$2,200 per troy ounce. A typical three-way catalyst uses about one-tenth to one-twentieth of a troy ounce of precious metal.

Catalyst and carmaking experts say conventional catalysts with all three platinum-group materials have \$50 to \$100 worth of precious-metal coating on the substrate. But depending on the specific vehicle, the ratio of those metals varies widely.

"Swings in catalyst technology drive the prices of those metals wild," says a GM source. "Early last November, rhodium was in the \$1,250 range. And now it's in the \$2,150 range."

But balancing the enthusiasm of both catalyst producers and carmakers are reports from catalyst scrappers of a seemingly high pal-

ladium-catalyst failure rate — at least for some of the early units.

"We've advised our suppliers that we don't want the palladium catalysts," says Raymond Sloan, president of Catalytic Converter Refining Co.

"We reject them. Given the \$120 an ounce market price of palladium, we can't justify our processing costs. And there's very little rhodium in them. And they must definitely be having a problem with them. The palladium catalysts won't make it."

The new catalysts could cost significantly less, reach operating temperature more quickly and offer greater durability than the older-style catalysts, say engineers.

"We're already producing a number of light trucks that use the palladium catalysts," says Michael Brady, supervisor of catalyst development at Chrysler Corp. "We're using them in two four-cylinder engine families."

The Motor Vehicle Manufacturers Association specifications reveal that the company's 49-state minivans with the 2.5-liter, four-cylinder engine use a single catalyst with two ceramic bricks. One brick is coated with platinum and rhodium. The other is coated with palladium and rhodium.

The 1990 Ford Thunderbird/Mercury Cougar with the 3.8-liter V-6 use a catalyst with palladium and rhodium. Supercharged versions of the car are equipped with a more conventional catalyst loaded with platinum, palladium

and rhodium.

According to buyers of scrap catalytic converters, Ford also has installed the platinum-free catalysts on its F-150 pickup trucks.

Carmakers in the Far East may have a technological and marketing jump on domestic makers. According to a source at one catalyst company, 25 percent of the cars in Japan that use three-way catalysts use substrates coated with palladium and rhodium.

But carmaker and catalyst company researchers warn that — at least initially — the platinum-free thermal reactors might not be as catalytically efficient. They are also more sensitive to poisoning by lead and sulfur. Japan's gasoline supply is low in sulfur and lead.

And carmakers faced with tightening emissions standards and longer compliance periods are naturally hesitant to use less-efficient and less-robust emissions technology. The current compliance period for a new automobile is five years/50,000 miles. An extension to 100,000 miles has been proposed.

"There's plenty of technology to make 0.25 hydrocarbon and 0.4 NOx," said Deming. "But some of the proposed standards, like 0.125 hydrocarbon and 0.20 NOx are just not achievable."

The current federal exhaust emissions standards are 0.41 grams per mile for hydrocarbons, 3.4 gpm for carbon monoxide and 1.0 gpm for nitrogen oxides.

Ford has a fleet of 40,000 to 50,000 new Thunderbirds and Cougars in customers' hands with the new catalysts, but last week Ford refused to comment on the palladium-rhodium catalysts.

Weaknesses of the palladium catalyst are its slightly lower catalytic or conversion efficiency, lead and sulfur poisoning from gasoline, and high temperatures from ignition-system failures.

But researchers say that with lead legislated out of gasoline (current lead levels are below 1 milligram per gallon), with gasoline sulfur content reduced with new more-accurate fuel injection systems and with robust electronically controlled ignition systems, the serious threats to catalyst life are well under control.

In addition, refiners and carmakers are looking at reformulated gasolines with less complex hydrocarbons that may be easier for palladium catalysts and fast-burn combustion chambers to digest.

But platinum will remain an important catalyst material because of its relative insensitivity to poisoning from lead or sulfur and its greater catalytic action.

SATELLITE

FROM PAGE 1

tions system as it prepares for the 21st century.

"Everybody has different pieces of equipment now," said Dave Parker, of Parker Cadillac Inc. in Little Rock, Ark. "Now, everybody will be on a common system."

Parker, who served on the dealer advisory council to design the network, said the new system will speed the transfer of information. For instance, now, if he asks electronically about one of his car orders, he has to wait overnight for an answer. The new system will provide an immediate response.

Except for new services offered on the satellite network, Parker added, a dealer's cost should be the same and maybe slightly less for the next 10 years.

Dealers will be linked to GM's vehicle divisions, including the new Saturn Corp., as well as GM's parts and service operations, General Motors Acceptance Corp. and Motors Insurance Corp., GMAC's insurance subsidiary.

GM will begin a pre-pilot test of the satellite system this summer at selected zone offices, its seven truck centers and some dealerships, including those owned by eight dealers who helped design the network.

Next, GM will pilot-test the system with 200 dealers. They will be a mixture of small and large multi-franchise dealers. The pilot will be completed by the end of 1990.

Then, GM plans to install 400 satellite dishes a month and complete installations by the end of 1992.

In addition to having dealers help design the network, GM received advice from the marketers of dealer computer equipment, including Reynolds and Reynolds Co. and Automatic Data Process, to make sure the satellite network will be compatible with every computer system in a dealership.

GM will be responsible for the satellite system but will contract with its computer services subsidiary, Electronic Data Systems Corp., for the development, implementation and technical operation of the system. Hughes Network Systems, a unit of GM's defense and electronics subsidiary, GM Hughes Electronics, will provide the satellite technology.

Chrysler Corp. established a similar satellite communications system in 1988. Brodie said Chrysler's system, now the world's largest private satellite network with all of Chrysler's approximately 5,300 dealers participating, is half the

Satellite highlights

- GM will pay for installation of satellite dishes and hopes to have all its dealers hooked up by 1992
- GM's current land-based communications system has 200 applications. Another 63 applications have been proposed for Pulsat
- Pulsat will include video as well as two-way data transmission

size of the new GM setup and has different computing capabilities.

Hughes provided the satellite hardware for the Chrysler network.

How did you Qualify?

(Answers from page 19)

- | | |
|--|---|
| 1. 1936 | 18. Captain Eddie Rickenbacker |
| 2. Anton "Tony" Hulman | 19. 13 |
| 3. Rick Mears | 20. 1942-1945 |
| 4. 1938 | 21. Johnnie Parsons |
| 5. Team Lotus | 22. Jackie Stewart |
| 6. Louis Meyer | 23. Team Penske |
| 7. Sterling Silver | 24. Speedway's Hall of Fame Museum |
| 8. 92 lbs. | 25. A.J. Foyt |
| 9. Louis Feron | 26. Bobby - 3 Big Al - 4 |
| 10. \$10,000 | |
| 11. Paul Newman | |
| 12. "Winning" | |
| 13. Tom Sneva | |
| 14. 1969 | |
| 15. Speed of Flight | |
| 16. 44" | |
| 17. Louis Meyer's roar across the finish line. | |
| 27. |  |

Catalyst maker picks S. Africa

By Des Kilalea
SPECIAL CORRESPONDENT

JOHANNESBURG, South Africa — Johnson Matthey plc, the world's largest manufacturer of automotive catalysts, is establishing a catalyst plant in South Africa — the source country for the bulk of the precious metals used in the emissions control units.

The 35 million rand (\$13.5 million) plant is to be erected at Johnson Matthey's existing precious metals plant at Wadeville, near Johannesburg. Production is scheduled to start in July 1991. The plant will have a capacity of 2 million units a year.

Christopher Clarke, Johnson Matthey executive director, says the decision to build a plant in South Africa was prompted by pressure from Johnson Matthey customers in Europe. They want

to ease the impact of South Africa's local content rules.

South Africa's Phase Six local content rules allow automakers to receive import credits if they export components.

By exporting catalysts from South Africa to their European plants, such automakers as BMW, Mercedes-Benz and Volkswagen will be able to use a higher percentage of imported components in South African-made vehicles.

South Africa itself does not require cars to be fitted with catalysts and lead-free gasoline is not available. Catalysts made in South Africa by Johnson Matthey will be exported to Europe.

Johnson Matthey recently opened a catalyst plant in Brussels, Belgium, capable of producing 5 million units annually. It supplies the growing European market for catalytic converters.

BorgWarner

200 South Michigan Avenue
Chicago, IL 60604

INCENTIVES

FROM PAGE 1

pany had waited until dealers were gasping for sales before acting.

"This is three months late, but thank God they've done something," said the dealer, who spoke on the condition he not be named.

"This is the first time I have ever seen them walk away from dealers on an issue as important as this. They've let dealers swing in the wind without rebates. Minivans are where most of us make our money.

"They held back on rebates to please Wall Street, but they forgot market share. It kills me off, but it allows them to please Wall Street," the dealer said.

The rebate comes at a time when the minivan war is in full swing.

General Motors is offering consumer incentives of \$1,000 on Pontiac Trans Sport and \$900 on Chevrolet Lumina APV and dealer incentives of \$750 to \$1,250 on Oldsmobile Silhouette. The Silhouette rebate is based on performance against sales quotas.

Ford Motor Co. is paying a \$700 rebate to Aerostar buyers.

Toyota Motor Sales U.S.A. recently jumped into the minivan fray with its 1991 Previa. But Toyota has yet to place an incentive on the new minivan.

This is only the second time Chrysler has offered rebates on its minivans since they were introduced in 1984. Dealers have clamored for minivan rebates since the success of the program early this year.

That program, which ended Jan. 31, offered retail rebates of \$1,000 on Plymouth Voyager and Grand Voyager, Dodge Caravan and Grand Caravan and Chrysler Town & Country.

Since then, dealers have urged Chrysler to reinstate the program in an effort to stimulate sales. But Chrysler has sought to market

minivans without incentives because rebates cut per-vehicle earnings on one of the company's most profitable vehicles.

The new round of incentives applies only to long-wheelbase models.

The first minivan incentive was part of the company's guaranteed rebate program, which assures buyers that if the rebates increase before Sept. 30, they will be paid the difference by Chrysler.

Because dealers often pass their rebates on to their customers in the form of price cuts, this new incentive program lets the manufacturer give the consumer a break while artfully bypassing the guaranteed rebate. Chrysler had said it did not expect to repeat the retail incentive on minivans this model year.

Still, many dealers are pleased about the program and believe it will help sell more minivans.

Tim Ryan, general manager at Warnock Dodge in East Hanover, N.J., said his dealership ordered 25 Grand Voyagers and 25 Grand Caravans the day the dealer incentive was announced. The incentive money will be used for advertising, marketing and other expenses, he said.

"It's not like we'll pocket the money," Ryan said. "The competition is still out there."

Said a metropolitan Detroit dealer: "It's a good deal for the

consumer, and it's good for us, too. We can use the money as an incentive or how else we see fit."

In the first seven months of the 1990 model year (Oct. 1, 1989, to April 30, 1990), Chrysler's retail sales of minivans totaled 232,870, which was 21.76 percent of the company's total retail sales of cars and trucks. The minivan sales included 96,234 long-wheelbase models.

In other incentive news, Toyota is offering factory-to-dealer rebates on some 1989 and 1990 cars and trucks.

The program, called "Extra Innings '90," is based on performance against quota. Rebates on 1989 and 1990 cars are: Tercel, \$200 to \$1,000; Corolla, \$200 to \$1,000; and Camry, \$400 to \$1,200. The 1989 and 1990 trucks rebates are: 4x4, \$200 to \$500; 4x2 pickup, \$700 to \$1,000; and 4x2 base model, \$900 to \$1,200.

Toyota's program expires June 4.

VIPER

FROM PAGE 2

ident; Francois Castaing, vice president of vehicle engineering; Thomas Gale, vice president of product design; and Carroll Shelby, a consultant and father of the Shelby Cobras of the 1960s.

When the Viper debuted, Lutz eloquently explained its mission.

"Getting back to what a sports car is, which is the connection of man and machine with a minimum of complications, is the approach of it," Lutz said then. "It's the fundamentalist approach to sports cars. Just get back to raw power."

"Sports cars have gotten way too East Coast, effete, effeminate, sophisticated. Lots of whizzy little parts in there and too much electronics and too much sophistication," Lutz said then. "They are walking away from the essence of what a true sports car is, which is an exciting, gut-wrenching basic automobile with no frills that is just defined around an engine, a transmission and a chassis."

The company declined comment on whether the Viper will be equipped with an air bag, anti-lock brakes or air conditioning.

Chrysler said because of its limited volume, the Viper will not affect the company's corporate average fuel economy rating.

The Viper team of 50 people, including suppliers, operated as though it were a separate, independent company.

"Chrysler will develop more all-new vehicles in the next five years than at any previous time," Iacocca said.

"Some people may ask if we can afford to put one more new model on our plate. My response is, with a program that implements a new, more responsive product development process, that dramatically cuts leadtime and investment, and develops an approach that can be applied to other product programs, how can we afford not to?"

OBITUARIES

J. Edmund DiLorenzo

ALBUQUERQUE, N.M. — J. Edmund DiLorenzo, 79, former general manager and part owner of Quality Pontiac, died April 1. He retired in 1986.

Dorothy A. Kantany

WESTFIELD, Mass. — Dorothy Kantany, retired vice president of Westfield Volkswagen, died May 5.

INCENTIVE WATCH

CUSTOMER INCENTIVES

		Finance Rates (Pct)				Expiration Date
Rebates		— Months —				
		24	36	48	60	
Chrysler Motors (1990 models)						
Dodge cars	\$750-\$1,000	2.9	6.9	7.9	9.9	None
Eagle Summit	\$1,000	2.9	6.9	7.9	9.9	None
Plymouth	\$750-\$1,000	2.9	6.9	7.9	9.9	None

Chrysler Motors (1990 models, guaranteed rebates*)

Chrysler	\$1,000	2.9	6.9	7.9	9.9	May 31
Dodge cars	\$750-\$1,500	2.9	6.9	7.9	9.9	May 31
Dodge trucks	\$1,000-\$2,000	2.9	6.9	7.9	9.9	May 31
Eagle	\$750-\$2,000	2.9	6.9	7.9	9.9	May 31
Jeep	\$500-\$1,000	2.9	6.9	7.9	9.9	May 31
Plymouth	\$750-\$1,000	2.9	6.9	7.9	9.9	May 31

*Buyer will receive any increase in rebate through Sept. 30, 1990.

Finance rates are 0.1, 0.2, 0.4, 0.9 on 1989-1990 Chrysler LeBaron coupe; Plymouth Acclaim and Sundance; Dodge Daytona, Spirit and Shadow; and Eagle Premier, and 1990 LeBaron sedan and Dodge Monaco. The 24-month rate on 1989-1990 Jeep Cherokee and Wagoneer is 0 percent. Expiration date is May 31.

Ford Motor Co. (1988-89 models)					
Mercur	\$4,000				May 31

Ford Motor Co. (1989-90 models)						
Ford cars	\$750-\$1,000	7.9*	7.9*	7.9*	10.9	May 31

Continental, Mark VII	\$1,500-\$2,000					May 31
Mercury	\$750-\$1,500	7.9*	7.9*	7.9*	10.9	May 31

*Escort and Tracer rate is 6.9%.

General Motors (1990 models)						
Buick	\$500-\$1,250*	7.9	7.9	7.9	10.9	Aug. 2

Chevrolet cars	\$700-\$1,400	7.9	7.9	7.9	10.9	July 9
Chevrolet trucks	\$500-\$1,500	7.9	7.9	7.9	10.9	July 9
Cadillac	\$1,500-\$2,000					May 31

Olds Toronado	\$2,500	7.9	7.9	7.9	10.9	Aug. 2
Cutlass Ciera	\$1,000	7.9	7.9	7.9	10.9	Aug. 2

Pontiac	\$750-\$2,000**	6.9	6.9	6.9	10.9	Aug. 2
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*Based on option package selected.

**Dealers contribute \$1,000 on Grand Prix in some areas.

Pontiac	\$750-\$2,000**	6.9	6.9	6.9	10.9	Aug. 2
*Based on option package selected.						
**Dealers contribute \$1,000 on Grand Prix in some areas.						

Chevrolet trucks	\$1,000	7.9	7.9	7.9	10.9	July 9
------------------	---------	-----	-----	-----	------	--------

*Based on option package selected.

Audi (1990 models)*						
		4.9	4.9	6.9	9.9	June 30

*—Finance incentive takes effect only if dealer foregoes dealer cash incentive.

Audi (1990 models)*					
	4.9	4.9	6.9	9.9	June 30

*—Finance incentive takes effect only if dealer foregoes dealer cash incentive.

—Finance incentive has effect only if dealer foregoes dealer cash incentive.					
BMW (1990 models)					

325i	2.9	4.9	6.9	7.9	May 31
325i	2.9	4.9	6.9	7.9	May 31

*If dealer foregoes dealer incentive.

Hyundai (1989-90)					
	\$500-\$1,700,				
	based on sticker				June 5

Isuzu (1989-90)						\$1,000-\$1,200*	June 30
*If dealer foregoes dealer incentive							

*Payments vary by region.

Trucks (1990)	\$750-\$1,000	None
---------------	---------------	------

Mitsubishi (1989-1990 models)					
Cars, trucks*	\$500-\$2,000				June 30

Note: Some dealers offer rebates to buyers of 1989 and 1990 models. Most of these programs are omitted from this table because of the limited number of these vehicles still in dealers' hands.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler Corp. (1990 models)		
Grand Caravan, Grand Voyager, Town & Country	\$500	July 17
Ford Motor Co. (1990 models)		
Ford Cars, Taurus SHO	\$1,000	May 31
General Motors (1990 models)		
Buick Estate Wagon	\$1,000	Aug. 2
Corvette	\$2,000-\$4,000 based on sales	July 9
Chevrolet Geo, Celebrity	\$500-\$1,000	July 9
Geo Tracker	\$1,000	July 9
Oldsmobile Cutlass Supreme, 88, Custom Cruiser, 98, Silhouette	\$750-\$1,250, based on sales	Aug. 2
Pontiac Firebird	\$500	Aug. 2
Audi (1990 models)*		
	\$2,000-\$3,000	June 30
*Dealer has option of foregoing cash incentive and offering cut-rate financing to customer.		
Hyundai Excel (1989-90)		
	\$200, quota	June 5
Isuzu (1990 models)		
Pickups*	\$800-\$1,300 based on number sold	June 30
Trooper	\$900-\$1,400 based on number sold	June 30
* \$200 extra on 4wd models		
Mitsubishi (1989-1990 models)		
Cars, trucks*	\$500-\$2,000 based on number sold	June 30
*Payments vary by region.		
Nissan (1990 models)		
Sentra, Stanza	\$300-\$1,500	Aug. 2
Trucks	\$1,000	Aug. 2
Axxess	\$1,000-\$1,500	Aug. 2
Subaru (1990 models)		
Justy ECVT	\$500	July 3
Loyale	\$400	July 3
Legacy	\$400-\$1,200, based on sales	July 3
Suzuki (1990 models)		
Swift	\$400	June 4
Sidekick	\$700-\$1,500	June 4
Toyota (1989-1990 models)		
Terrell, Corolla, Camry	\$200-\$1,200, quota	June 4
Trucks	\$200-\$1,200, quota	June 4

Note: Some dealers offer rebates to dealers on sales of 1989 and 1990 models. These programs are omitted from this table because of the limited number of these vehicles still in dealers' hands.

PRODUCTION

Car output holds steady at 138,967

By Karen Detkowski
AUTOMOTIVE NEWS STATISTICIAN

U.S. makers scheduled 138,967 cars last week, 1.30 percent below the prior week and 12.86 percent below the year-ago week.

The year's car assembly total is 2,349,157, down 22.20 percent from the year-ago tally.

Last week's estimated production was divided as follows: General Motors, 45.13 percent; Ford Motor Co., 22.96 percent; Chrysler Corp., 13.60 percent; Honda of America Manufacturing Inc., 6.47 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.19 percent; New United Motor Manufacturing Inc., 3.02 percent; Diamond Star Motors Corp., 2.14 percent; Mazda Motor Manufacturing (USA) Corp., 2.03 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.13 percent; and Subaru-Isuzu Automotive Inc., 0.33 percent.

Truck production was scheduled at 97,275 units last week, 3.82 percent above the previous week and 8.11 percent above last year.

Year-to-date, truck assembly is 1,555,316 units.

GM will idle the Lakewood, Ga. assembly plant indefinitely Aug. 6. No future products are planned for the plant at this time.

GM scheduled overtime last Friday at the Janesville, Wis., plant and Saturday overtime at Lordstown, Ohio; Orion, Mich.; and the Lansing, Mich., B-line.

Truck plants scheduled for Saturday overtime at GM were Moraine, Ohio; Flint, Mich.; and Baltimore.

Ford idled the Chicago Taurus/Sable plant last week because of a shortage of dealer orders. The plants build about 5,000 cars a week.

Ford's Wayne, Mich., and Wixom, Mich., car plants worked daily overtime last week. Wixom also slated Saturday overtime.

Ford reported daily and Saturday overtime for the following truck plants: Twin Cities, Minn.; Kansas City, Mo.; Louisville, Ky.; and St. Louis.

Ford's Norfolk, Va., and Lorain, Ohio, truck facilities worked daily overtime last week.

Chrysler's Belvidere, Ill., and Newark, Del., car plants reported Saturday overtime last week. The Dodge City truck plant in Warren, Mich., also worked Saturday.

Canada cars top 1989 pace

Canadian automakers targeted production of 22,365 units last week, 17.10 percent below the prior week but 24.24 percent above the year-ago week.

For the first time, year-to-date production rose above the 1989 total: 401,500 cars have been assembled, up 1.21 percent over last year.

Scheduled truck output of 17,877 last week fell 14.35 percent below the prior week but rose 7.62 above the year-ago week.

So far this year, 359,828 trucks have been built, 10.71 percent below the 1989 total at this time.

U.S. CAR	Week Ended May 19, 1990	Week Ended May 20, 1989	Week Ended May 12, 1990	May Est.	Jan. 1 to May 19, 1990	Jan. 1 to May 20, 1989
Horizon	0	850	0	0	4,327	6,424
Sundance	1,700	2,720	2,182	5,262	29,117	47,300
Acclaim	3,200	3,303	3,319	8,454	34,235	48,460
Total Plymouth	4,900	6,873	5,501	13,716	67,679	102,184
LeBaron A	400	0	411	1,050	8,755	0
LeBaron J	1,400	2,776	1,402	3,945	15,963	47,755
LeBaron GTS	0	0	0	0	0	2,946
N. Yorker C-Class	1,900	1,984	1,941	5,039	13,370	45,977
Fifth Avenue	900	0	982	2,476	11,591	0
Imperial	300	0	402	940	6,610	0
Total Chrysler	4,900	4,760	5,138	13,450	56,289	96,678
Omni	0	940	0	0	4,078	7,493
Daytona	900	1,867	934	2,611	11,704	41,529
Shadow	2,300	2,145	2,374	6,360	33,064	46,757
Dynasty	3,100	3,424	3,176	8,196	43,909	64,273
Lancer	0	0	0	0	0	1,528
Spirit	2,800	2,993	2,832	7,374	34,943	45,161
Total Dodge	9,100	11,369	9,316	24,543	127,698	206,741
CHRYSLER MOTORS	18,900	23,002	19,955	51,709	251,666	405,603
Escort	7,109	8,494	5,495	17,973	78,806	140,728
Mustang	3,710	3,699	3,730	10,412	55,730	91,941
Tempo	3,203	3,022	3,267	9,060	53,089	64,324
Taurus	4,521	7,918	7,826	18,517	146,002	159,050
Thunderbird	3,864	3,233	3,764	7,628	45,322	70,294
Total Ford Div.	22,407	26,366	24,082	63,591	378,949	526,357
Topaz	1,197	1,488	1,133	3,260	20,271	28,584
Cougar	1,658	2,334	1,784	3,442	28,861	60,440
Sable	731	2,515	2,413	5,378	43,553	52,034
Total Mercury	3,586	6,337	5,330	12,080	92,485	141,058
Continental	1,459	1,443	1,118	3,610	22,170	29,216
Mark VII	629	467	543	1,699	10,972	10,559
Town Car	3,829	2,867	3,282	10,252	66,143	53,496
Total Lincoln	5,917	4,777	4,943	15,561	99,285	93,271
Total L-M Div.	9,503	11,114	10,273	27,641	191,770	234,329
FORD MOTOR CO.	31,910	37,480	34,355	91,231	570,719	760,666
Skyhawk	0	337	0	0	0	6,612
Skyline/Somerset	2,631	1,419	1,983	6,118	34,712	22,994
Century	1,590	2,796	1,694	4,647	25,955	48,964
Riviera	519	337	611	1,585	9,200	10,418
Electra	394	2,317	153	612	13,045	34,148
LeSabre (fwd)	3,839	4,550	3,886	10,495	64,388	60,890
LeSabre (rwd)	310	65	283	811	3,087	3,445
Reatta	211	205	211	591	3,465	2,788
Total Buick	9,494	12,026	8,821	24,859	153,852	190,259
Eldorado	448	985	422	1,188	8,462	16,305
Seville	1,145	730	1,515	3,765	13,865	11,974
Brougham (rwd)	0	619	0	0	13,065	16,381
DeVille (fwd)	4,923	4,141	4,150	13,055	66,708	89,614
Alante	89	0	89	249	1,463	1,303
Total Cadillac	6,605	6,475	6,176	18,257	103,563	135,577
Cavalier	8,572	8,301	7,986	23,274	124,074	160,030
Camaro	2,018	2,783	2,037	5,604	23,430	50,126
Celebrity	0	1,975	0	0	0	56,007
Corsica/Beretta	6,055	8,447	6,202	17,127	109,557	169,933
Caprice	1,350	4,061	1,348	3,762	74,103	82,176
Corvette	553	560	556	1,565	9,295	10,569
Total Chevrolet	18,548	26,127	18,129	51,332	340,459	528,841
Calais	2,457	2,235	3,078	7,416	37,490	39,073
Cutlass Ciera	1,803	1,879	1,575	4,044	30,295	34,240
Cutlass Supreme	1,670	3,702	1,797	4,899	32,530	45,122
Toronado	240	202	291	737	7,528	4,255
88 (fwd)	3,138	5,224	2,885	8,402	38,110	70,368
88 (rwd)	0	194	0	0	2,295	3,236
98	1,330	1,112	1,049	3,423	21,940	35,707
Total Oldsmobile	10,641	14,548	10,675	28,921	170,188	232,001
Sunbird	4,451	3,714	3,744	11,844	57,312	62,464
Grand Am	4,800	4,867	4,873	13,535	74,482	101,817
Firebird	1,233	1,325	1,163	3,314	14,139	28,358
Cadillac Pkx	3,120	4,000	2,943	8,410	41,488	62,407
Pontiac 6000	1,390	1,151	1,478	4,068	22,512	36,880
Bonneville	2,433	2,209	2,425	7,139	31,489	41,632
Safari/Parisienne	0	129	0	0	0	2,267
Total Pontiac	17,427	17,395	16,626	48,310	241,422	335,825
GENERAL MOTORS	62,715	76,571	60,427	171,679	1,009,484	1,422,503
DIAMOND-STAR	2,978	886	2,945	8,655	55,687	17,866
HONDA	8,990	7,809	8,801	24,935	172,457	153,756
Civic	2,700	2,580	2,727	7,541	47,614	51,830
Accord	6,290	5,229	6,074	17,394	124,843	101,926
MAZDA	2,815	4,485	2,791	7,663	69,856	94,960
NISSAN	1,570	2,494	1,523	4,354	40,814	45,359
NUMMI	4,200	4,231	5,084	12,640	81,575	78,834
Corolla	2,000	1,662	2,349	5,911	41,689	32,085
Geo Prizm/Nova	2,200	2,569	2,735	6,729	39,886	46,749
SUBARU-ISUZU	455	0	489	1,196	10,321	0
TOYOTA	4,434	2,521	4,429	12,312	86,578	39,884
Total Cars, U.S.	138,967	159,479	140,799	386,376	2,349,157	3,019,431
Total Cars, Canada	22,365	18,001	26,978	69,901	401,500	396,685
U.S., Canada Cars	161,332	177,480	167,777	456,277	2,750,657	3,416,116
U.S., Canada Cars and Trucks	276,484	284,070	282,343	775,757	4,665,801	5,615,671

Monthly estimates may contain error of one or two units due to rounding.

1—Total includes MX-6, 628, and Ford Probe

2—Estimated

CANADIAN CAR	Week Ended May 19, 1990	Week Ended May 20, 1989	Week Ended May 12, 1990	May Est.	Jan. 1 to May 19, 1990	Jan. 1 to May 20, 1989
Monaco	640	0	680	1,320	4,913	0
Premier	635	1,052	595	1,230	2,482	17,459
CHRYSLER MOTORS	1,275	1,052	1,275	2,550	7,395	17,459
Tempo	3,360	0	3,364	9,365	49,914	60,076
Topaz	1,440	0	1,410	3,984	18,146	25,392
Crown Victoria	3,215	2,943	2,483	7,758	49,051	53,874
Grand Marquis	2,545	2,867	3,120	8,250	45,511	59,832
FORD MOTOR CO.	10,560	5,810	10,377	29,357	162,622	199,174
Celebrity	0	860	1,220	2,116	9,844	6,051
Cutlass Ciera	0	2,700	2,416	4,226	31,562	70,714
Lumina	3,928	3,146	4,684	12,694	85,781	32,676
Regal	2,472	2,195	2,780	7,282	27,691	30,770
GENERAL MOTORS	6,400	8,901	11,100	26,319	154,878	140,211
HONDA	2,150	1,696	2,241	6,098	42,107	32,689
HYUNDAI	550	0	489	1,461	7,142	0
TOYOTA	1,250	362	1,316	3,612	23,829	3,693
VOLVO	180	180	180	504	3,527	3,459
Total Cars, Canada	22,365	18,001	26,978	69,901	401,500	396,685
U.S. TRUCK	Week Ended May 19, 1990	Week Ended May 20, 1989	Week Ended May 12, 1990	May Est.	Jan. 1 to May 19, 1990	Jan. 1 to May 20, 1989
Caravan	2,400	2,482	2,594	6,697	44,824	45,181
Dakota	1,500	2,394	1,958	4,856	28,953	46,156
Caravan C/V	100	111	166	365	2,869	3,783
Ram pickups	2,300	2,396	2,931	7,324	42,462	46,184
Total Dodge	6,300	7,383	7,649	19,243	119,108	141,304
Cherokee	4,000	5,543	4,069	11,330	64,913	94,056
Comanche	200	665	213	571	3,030	13,208
Grand Wagoneer	300	0	325	625	2,080	5,423
Wagoneer	100	132	108	298	1,510	3,765
Total Jeep	4,600	6,340	4,715	12,824	71,533	116,452
Voyager	2,200	2,311	2,383	6,182	42,847	42,995
Town & Country	50	190	41	145	1,411	255
Total C-P Div.	2,250	2,501	2,424	6,328	44,258	43,250
CHRYSLER MOTORS	13,150	16,224	14,788	38,394	234,899	301,006
Aerostar	5,651	4,190	4,862	14,987	78,401	100,529
Bronco	1,189	1,683	1,209	3,363	21,512	34,737
Bronco II	6,340	2,528	5,719	15,665	53,993	53,742
Econoline	5,113	5,226	5,159	14,218	77,173	100,086
Mediums/Heavies	1,284	1,316	1,249	3,538	20,656	27,747
Light trucks	11,058	12,316	10,287	29,930	179,708	225,755
Ranger	6,861	5,964	6,185	18,176	118,725	143,208
Total Ford Div.	37,496	33,223	34,670	99,876	550,168	683,804
FORD MOTOR CO.	37,496	33,223	34,670	99,876	550,168	683,804
Astro	3,557	3,492	3,003	8,999	46,249	69,162
Blazer	489	649	434	1,273	6,840	11,399
Lumina APV	2,245	0	2,377	6,547	39,360	0
Mediums/Heavies	369	0	233	791	3,483	1,312
P-Model	619	983	636	1,778	9,658	13,845
Pickups	7,796	8,210	6,942	20,672	138,643	162,072
S-10	5,033	4,672	4,875	13,888	91,345	111,107
S-10 Blazer	3,360	3,972	3,628	9,814	48,285	77,327
Sportsvan/Van	1,925	2,380	1,906	5,585	26,626	40,228
Suburban	1,768	1,828	1,491	4,443	26,457	31